

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6297

BILL NUMBER: SB 17

NOTE PREPARED: Nov 19, 2007

BILL AMENDED:

SUBJECT: Redevelopment commissions and TIF.

FIRST AUTHOR: Sen. Kenley

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ___ **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Pending

Summary of Legislation: With respect to certain bonds issued, or leases entered into, by redevelopment commissions and certain other local government entities for various redevelopment and economic development purposes, provides that: (1) the maximum term of the bonds or leases may not exceed 30 years; and (2) capitalized interest may be paid from the bond proceeds for not more than two years. Provides that certain decisions with respect to tax increment financing (TIF) allocation areas are to be made by the legislative or fiscal body of the city, town, or county instead of the redevelopment commission or are subject to the approval of the legislative or fiscal body, including: (1) consent for tax abatements in an allocation area; (2) consent for enterprise zone investment deductions in an allocation area; (3) issuance of certain bonds; (4) use of the power of eminent domain; (5) applying for federal grants and selling bonds to federal agencies; and (6) payment of certain property tax replacement credits. Includes taxes allocated for a TIF allocation area in the definition of "property taxes" for purposes of the petition and remonstrance process. Requires appointment of a school board member to serve as a nonvoting adviser to each redevelopment commission. Provides that the members of a county redevelopment commission are to be appointed by the county executive and the county fiscal body (instead of all appointments being made by the county executive). Revises the procedures for amending the resolution or plan for a redevelopment project area. Requires, for an amendment that enlarges the boundaries of an area, a finding that the existing area does not generate sufficient revenue to meet the financial obligations of the original project. Requires a redevelopment commission to annually notify the county auditor and the county or municipal fiscal body of the amount of assessed value that may be reallocated from the commission to other taxing units. Prohibits enlargement of an economic development area unless the original area does not generate sufficient revenue for the project. Provides that an economic development area must meet the criteria for an area needing redevelopment. Repeals certain provisions concerning the procedure for amending a resolution previously adopted by a redevelopment commission.

Effective Date: Upon passage; July 1, 2008.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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